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## TALKING POINTS FOR THE ADDI

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Incidents of unrest appear to be at their lowest point since January 1985, although the townships remain volatile. We expect periodic violent confrontations between blacks and security forces--as occurred on 26 August in Soweto when 24 blacks were killed. Pretoria has no plans to lift the state of emergency this year.

- The government has extended its ban on meetings of dozens of antiapartheid groups and detained over 16,000 activists, according to a monitoring group, especially targeting leaders of the multiracial United Democratic Front. Pretoria also will add 6,000 black constables --the first 1,000 are currently being trained in a three-week crash course--and 10,000 township police.

Black groups, however, continued to mount effective protests.

- Community groups--many affiliated with the United Democratic Front--have organized rent boycotts in some 50 townships.
- Soweto groups organized a work stayaway on 4 September observed by 70 percent of workers--called the most successful protest by the community since 1976.
- Over 50 percent of black miners participated in a one-day strike on 2 October to commemorate 177 killed in a mine disaster.

Sanctions against South Africa imposed by the US, Japan, the European Economic Community (EC) and the Nonaligned Movement are roughly similar.

- The US has banned the import of coal, iron and steel, agricultural products, textiles, uranium, and products of parastatal enterprises except for strategic material needed by the US military. The US also severed landing rights for South African Airways and transferred South Africa's sugar quota to the Phillipines.
- Japan says it will ban the import of South African iron and steel, suspend air links, prohibit Japanese officials from flying on South African Airways, and suspend issuance of tourist visas for South African nationals.
- On 15 September the EC banned the import of South African

iron and steel, prohibited new investment in South Africa and banned the import of South African gold coins.

- While calling on the industrialized countries to impose comprehensive sanctions on South Africa, the Nonaligned Movement agreed to a package of 13 voluntary sanctions including a suspension of air and sea links and a ban on importing agricultural products.

The precise affect of these sanctions is difficult to predict, but we believe they will cause only minor problems. South Africa will probably find alternative markets for most banned products except steel.

- The ban on iron and steel will probably have the biggest impact. We estimate that 50,000 jobs could be lost.
- The US accounted for only 2 percent of South Africa's coal exports last year, so the impact on the coal industry will be negligible.
- The impact on the textile, agricultural and transport industries will depend on how rapidly South Africa is able to find new markets for these products.

We believe that South Africa will successfully evade most of the trade sanctions imposed.

- The South African government has created a Secretariat for Unconventional Trade within the Department of Trade and Industry to assist exporters in evading trade sanctions.
- The South African Reserve Bank has given commercial banks permission to disguise sanctions-related transactions in their books.
- South African firms have set up front companies in neighboring states, Europe and the Caribbean to disguise the origin of South African goods.
- South Africa is using its well established commercial links with Hong Kong to help disguise the origin of South African goods bound for the Far East.

South Africa has yet to retaliate for the new sanctions, so the Frontline states have not been adversely affected. However, if sanctions increase employment in South Africa, we believe that Pretoria will retaliate by expelling workers from the neighboring states. Nearly 350,000 foreign black workers are legally employed in South Africa. In addition, there are an estimated 700,000 to 1,000,000 illegal immigrants employed. Repatriating even a fraction of these workers would have a decidedly negative impact on the economies of the neighboring states.